

## THE TRIBULATIONS OF AN EARLY IDAHO IRRIGATION DISTRICT

One of the great dreams of the American farmer as he moved West was to find fertile soil and adequate water for his needs. The first farmers, of course, took fertile lands nearest a water resource; and latecomers were forced to take up land further from water. By the turn of the century, the search for adequate water forced the more imaginative farmers to seek ways of conveying large amounts of water long distances in the hope that they might make fertile soil out of dry land.

In the summer of 1900, as nearly as can be determined, a number of farmers from the villages of Weston, Dayton and Clifton, in southeastern Idaho near the Utah-Idaho border, conceived an irrigation project which would bring water from the east side of their valley to the dry benches on the west side, nearly thirty miles away. They formed the Oneida Canal Company and filed a claim on waters from Mink Creek, tributary to Bear River, for four hundred second feet of water.<sup>1</sup> They hired A.F. Parker of Ogden, Utah, an irrigation engineer of longstanding, to see if their proposal was feasible; and after nearly two years work, he submitted an optimistic report which was approved by D.N. Ross, Idaho State Engineer. The farmers were enthusiastic with their prospects and they immediately began preparations to build the irrigation system according to Parker's specifications.

The plans contemplated building a main canal approximately thirty miles in length, sufficient to carry three hundred second feet of water through a series of seven reservoirs of various sizes, then through a number of lateral canals for delivery to the dry land. Their water source, Mink Creek, drained the eastern foothills of Cache Valley and emptied into Bear River, a few miles above the Utah-Idaho border. In order to get the water to land on the west side of the valley, the proposed canal was to be dug along an extremely steep, rocky hillside, cross the Bear River canyon through an inverted siphon, along several miles of steep, sandy hillside of the canyon, then through some clay hills to a point where it could be carried through a second inverted siphon, nearly six miles in length, across the lower part of the valley to the main reservoir site. The main reservoir was to be situated between some low-lying hills near Clifton and would necessitate building two earthen dams, one 1183 feet long, and the other 1585 feet long. From the reservoir two lateral canals, each over fifteen miles long and including more siphons, would be built to the farm land.

Parker proposed that the entire system could be built for \$282,000 and would be sufficient to irrigate nearly 36,000 acres. On that basis, he reported, it would cost less than \$9.00 per acre for construction of the system. The estimated costs were hardly prohibitive to farmers who paid \$10.00 an acre for land which he believed would soon be worth at least \$50.00 per acre with an adequate water right. Land in the same valley was selling for \$90.00 if it had a good water right; and it did not take much imagination to agree with Parker that adequate water would increase their annual yield by as much as three hundred percent.<sup>2</sup>

The remainder of the year, 1902, was spent in preparing for the actual construction of the system. The Oneida Canal Company was dissolved and replaced by the Oneida Irrigation District (OID) in order to comply with a recently passed state

irrigation law, and the land to be included in the proposed system was carefully listed. By January 1903, a bond issue for \$282,000 was ready for sale, and the farmers expected to begin construction that spring.<sup>3</sup> However, from the outset the District experienced many difficulties in selling their bonds. They managed to sell \$75,000 that first year, but most of it was sold to participating farmers; and by the fall of 1904, the figure had risen to just \$80,000 of the original \$282,000.

The inability to sell the bonds made it necessary to postpone construction for a time, but by the spring of 1904, the farmers were anxious to begin. Consequently, with farmers contracting to do most of the work, they decided to begin construction immediately. The farmers agreed to work without recompense until the bonds had been sold, and with a strong feeling of community spirit, they commenced working in several places along the main canal site.

Memories are still told of women mixing bread in huge tubs, of cooking half a beef for a crew's dinner. A participating farmer, with his team of horses, worked for fifty cents a day. Hired men did better at \$1.25 per day, plus their meals and a tent to sleep in. All possible kinds of horse-drawn vehicles were used to gouge out the canal--fresno scrapers, hand-made wooden scrapers, wheelers, wooden slips to move the dirt, and stone boats to move the heavier rock. A number of "dagos" were hired, until they got drunk the first time, then the non-drinking Mormon community ran them off.<sup>4</sup>

Prospective bond buyers refused to buy the bonds until more construction had been completed, yet the three directors of the Oneida Irrigation District were unable to continue construction unless they could sell the bonds. To cover the mounting expenses, the directors were forced to borrow money, using the unsold bonds as collateral. They were able to borrow half the amount of each unsold bond which was used in this manner, but by doing so they immediately jeopardized the anticipated value of all the bonds.

In the fall of 1904, with most of the bonds still unsold, George M. Cannon, Cashier of Zion's Savings and Trust Bank, in Salt Lake City, offered to sell the remainder of the bonds on condition the OID pay him a ten percent commission. It was illegal to collect a commission on the sale of bonds of a quasi-municipal corporation, nevertheless the directors agreed. They also complied with a questionable provision that the commission be paid him by check drawn from the personal account of one of the directors. Apparently, it was a case of agree to his conditions or stop the construction because of lack of funds.

This was not the only financial problem they faced. When the credit rating of the District fell to practically zero in 1904, the directors resorted to some irregular methods in order to keep the construction going. At first the directors used their personal credit at various banks to borrow money for the District. Eventually, they began maintaining whatever District funds were available in their personal accounts in order to augment their credit and increase their borrowing power. For example, Director Adelbert Henderson borrowed several thousand dollars on behalf of the District from the J.N. Ireland Bank in

Malad, Idaho. As collateral for the loan, he placed \$27,000 in unsold bonds and over \$19,000 in outstanding bills against the Oneida Irrigation District which he had personally bought from the original holders. At face value, the collateral was worth over twice the loan value, but the bank refused to loan more funds on what was considered weak securities.<sup>5</sup>

An even more complicated situation arose in the relationship between the District's secretary, Arthur W. Hart, and the treasurer, George C. Parkinson. When the District was first organized, they wanted some well-known person as one of the officers in order to add necessary prestige, and also to aid them in future relations with the State of Idaho and possibly Utah. Accordingly, George C. Parkinson, who worked for the State of Idaho, for a major sugar company in the area, and was also president of the local stake in the Church of Jesus Christ of Latter Day Saints, consented to be the treasurer. Parkinson was absent much of the time and could not function properly as treasurer to an organization which was involved daily in financial transactions between contractors and bondholders. Rather than release him from his position, Secretary Hart unofficially took over Parkinson's responsibilities. He paid the incoming bills, collected incoming bond money, and did most of the negotiating with George M. Cannon who was selling the bonds. On occasion, when Parkinson was available, the two men would sit down and transfer all the accounts to Parkinson's books. However, Secretary Hart was not legally bonded as treasurer; furthermore, in line with their practice of maintaining District funds in private bank accounts, thousands of dollars frequently piled up in his personal account. Because of his enhanced credit, he was at times able to carry an overdraft amounting to \$14,000 when the District could not carry one hundred dollars in overdraft at the same bank.

By the summer of 1905, Cannon had sold all the bonds, but the District had also spent almost all the money. Consequently, a second series of bonds, totaling \$145,000 was issued and again given to Cannon to sell on commission; and by the following spring a third bond series, totaling \$100,000 was issued, bringing the cost to almost twice the original estimates. Furthermore, construction on the main canal was hazardous and slow, and work on the major reservoir had not even begun.<sup>6</sup>

The condition of the District continued to worsen. The directors were forced to release their chief construction engineer for submitting inflated estimates on work done by some of the contractors, then getting a kickback from those contractors. Treasurer Parkinson claimed a ten percent commission on \$50,000 in bonds he had sold, bills submitted by the contractors could not be paid, and the directors were forced to borrow nearly \$35,000 to pay interest on their bonds. By the fall of 1907, the Oneida Irrigation District was practically defunct, and construction had ceased altogether. Farmers were petitioning to have their assessments lowered, and in several cases, to have their lands removed entirely from the District. Treasurer Parkinson was finally released from office, President Henderson declined to run for office again, and Secretary Hart was forced to resign because of certain rumors that he had been using District funds for personal gain.<sup>7</sup>

Because of the disturbing rumors and disappointments, the farmers organized a special investigating committee and called for an audit of the District records. The

committee--Judge Henry H. Rolapp of Ogden, Utah, Auditor Orson P. Rumel, and several farmers--spent several months meticulously going through the tangled affairs of the District, and when they read their report the following summer, some rather plain-spoken words and serious charges were heard. The original directors were criticized for beginning construction before the bonds were sold, a condition which nearly everyone in the District had favored at the time. They were more severely criticized for assuming too much authority--President Henderson also acted as General Manager, and Secretary Hart was a director and also attorney for the District. The committee recommended that future directors meet less frequently and allow separate personnel to operate the system.

The matter of allowing a nominal treasurer to continue for so long in office, and of co-mingling District funds in personal accounts were much more serious. In view of the vast amount of work involved, it was clearly questionable to allow Secretary Hart to act as an un-bonded, unofficial treasurer. The auditor also accused both Secretary Hart and Treasurer Parkinson of using District funds to purchase a \$30,000 ranch, then returning the funds once the ranch had been resold. It was not at all difficult to see why Secretary Hart had been forced to resign, even though he had shown the investigating committee that he had sufficient personal funds to purchase the ranch in question.<sup>8</sup>

The investigating committee helped clear the air of confusion and rumor, but it remained the responsibility of a new board of directors to provide much needed confidence and get construction going again. Bondholders were persistently clamoring for an independent engineer's report on the canal system. Richard R. Lyman of Salt Lake City made the investigation, and when his report stated it would cost an additional \$100,000 to complete the canals and main reservoir, it brought even more consternation and hand-wringing.

Lawsuits and threatened lawsuits were beginning to hamper the directors. They undertook legal proceedings to sell farmer's land in order to collect delinquent taxes, and some farmers instituted suit to allow them to refuse to pay annual assessments on the basis that water had never been delivered to the land. Eventually the Idaho State Supreme Court decided in favor of the District. Suit was instituted against Arthur W. Hart and George C. Parkinson concerning the alleged misuse of funds, but a jury trial exonerated them. A different suit was even initiated through the L.D.S. Bishop's Court (a procedure concerning immoral conduct which can lead to excommunication) against some of the original directors for "un-Christian-like conduct", but they were exonerated. Suit was instituted against George M. Cannon for recovery of over \$33,000 paid him in commissions on bond sales, but the money was never recovered. Various bondholders were threatening suit for nonpayment of interest, and they also had difficulty with another chief engineer. He had quit the District in a dispute over salary and had taken all the engineering data which had been gathered over the years with him. It took a lawsuit to recover those papers.<sup>9</sup>

By 1909 conditions were hardly better. the two dams at the main reservoir had been built to thirteen feet, and water had even been forced through the main canal system to the reservoir; but very little water had yet been received by the farmers. The board of directors were hopelessly divided over continuing disputes and within four months, two directors resigned and the president voted out by the other directors. They found it necessary to ask the farmers to approve a special assessment to pay \$14,000

which had been borrowed to pay delinquent bond interest, but the farmers finally balked and refused to approve the assessment.

The bondholders were still uneasy and they called for another engineers report. This time J.C. Ullrich of Denver made the investigation. He concluded the system was essentially sound but made the disturbing recommendation that it would require \$230,000 to complete the system, not the \$100,000 that Lyman had suggested. As a result of the survey, the directors issued a fourth series of bonds totaling \$50,000, hoping to raise the remainder by added assessments on the farmers. The bondholders also insisted on more stringent control over the District, and George S. Spencer, Assistant Cashier of Zion's Savings and Trust Bank, was appointed General Manager and Treasurer. For two years he worked at trying to inculcate confidence into the farmers and eliminate the discord in the Oneida Irrigation District.<sup>10</sup>

In 1910, nearly seven years after construction had begun, the farmers saw the first measurable amount of water delivered to their land. By the following year nearly 4,000 acres of the planned 33,000 acres were being irrigated, and for the next few years the amount gradually increased. However, the water supply was erratic and maintenance costs were far higher than anyone had anticipated. The main canal kept washing away from the steep, sandy hillside near Bear River, and each break meant a costly delay of ten days or more. Eighty percent of the farmers were still not receiving water, and these were refusing to pay any assessments. For a second time the directors found it necessary to sell farmer's land for the amount of the delinquent assessments; and when no buyers appeared at public auction, the directors bought the land in the name of the Oneida Irrigation District. More and more farmers were petitioning to be excluded from the District--more and more farmers were selling their farms at a pittance and leaving the debt-encumbered District.<sup>11</sup>

In the spring of 1915, the District was once again rife with rumor and dissension. An audit of the records from 1908 through 1914 was called for and as a result, George H. Carver, secretary to the District during that period, was released from office, one of the directors resigned, and the treasurer suspended. Carver, through a friend, had been quietly buying the District's unpaid bills at considerable discount, then paying these at face value. This was done at a time when the District was defaulting on redemption of mature bonds, on interest payments, and payment of all outstanding bills. The scheme involved an intricate plan by which some of the discounted bills were used as collateral for private loans at a local bank. Then the District's checks were issued in favor of the cashier of the bank, his signature forged, the check cashed at the District's office, and then the funds were used to retire the private loan. Neither the bank nor its cashier was aware of the procedure until the audit took place.<sup>12</sup>

A severe financial crisis finally developed in 1916. Eastern bondholders were demanding payment on mature bonds and delinquent interest totaling over \$40,000, while the District had less than \$3,000 available. It was apparent that they were totally unable to pay, even at fifty cents on the dollar as some were suggesting. That summer, Amalgamated Sugar Company of Ogden, Utah, who held \$50,000 in OID bonds, offered to mediate between the District and other bondholders for no compensation other than a promise from the farmers that they would raise more sugar beets.

Amalgamated became deeply interested in keeping the District functioning because they owned two operating sugar factories, at Lewiston and Cornish, Utah, within twenty miles of the Oneida Irrigation District; and because the land, if properly irrigated, was excellent for raising sugar beets. The company hired a special irrigation engineer, T.H. Humphrey of Logan, Utah, and based on his thorough, but somewhat pessimistic report, proposed a plan by which Amalgamated would assume the entire District indebtedness and do whatever necessary to place the system in good, operating condition. The farmers were optimistic about the proposal and for the first time in twelve years they were excited about the prospects of getting adequate water to the land.<sup>13</sup>

Amalgamated proposed to disband the OID entirely and reorganized into a smaller stock company. The new company was to consist of just 13,000 acres as Humphreys' recommended, not the 33,000 acres originally under the OID. Humphreys' report had pointed out that although the head canal was built to carry three hundred second feet of water, yet the siphon would carry just ninety second feet; and at no time had more than fifty second feet ever been delivered. Amalgamated proposed to recondition the entire system at an estimated cost of \$300,000, including building the main reservoir dams several feet higher in order to provide sufficient water storage. They also offered to purchase and retire at their own expense all outstanding bonds at twenty-five cents on the dollar. In return for the bond retirement and new construction costs, the farmers who were to be excluded from the system were required to pay a certain fee per acre, and farmers remaining in the system were to pay \$20.00 per acre to the new irrigation company, and sign a land mortgage amounting to \$60.00 per acre in favor of Amalgamated Sugar Company. The company proposed to begin reconstruction immediately, and in addition, if the farmers would grow more sugar beets, there was a rewarding promise of a new sugar factory to be constructed in the immediate area.<sup>14</sup>

The farmers overwhelmingly agreed to the proposal and the process of reorganizing commenced. The Oneida Irrigation District was abolished and a new stock company, Twin Lakes Canal Company, named after the main reservoir with its two major dams, was formed to replace it. Almost immediately conditions began to change. Land values doubled in one summer and new settlers were beginning to settle in the area again. But fifteen years of heartbreak and discouragement were not quite enough, more years of deep disappointment still confronted them.<sup>15</sup>

Amalgamated originally planned to commence the rebuilding program immediately in order that the system would be ready for the 1918 irrigation season, then decided to wait until all the farmers had signed over their land mortgages. That accounted for one years' delay. Again the farmers were promised that reconstruction would begin the following year, but 1918, then 1919 went by and again nothing was done. The directors of the new irrigation company implored with Amalgamated to commence construction, but each year they found sufficient reason for further delay--the mortgages were not all signed, the war made materials difficult to obtain, company funds were required elsewhere--and each year Amalgamated promised the farmers the sugar factory would soon be constructed. The farmers became disillusioned and began to cut back their sugar beet acreage. In answer Amalgamated announced they would not build the proposed sugar factory because sugar beet acreage in the area did not justify it.<sup>16</sup>

The failure to commence reconstruction of the system was much more serious for farmers who were required to make heavy annual mortgage payments. In order to ease the resulting financial strain Amalgamated agreed to waive interest payments on the mortgages for the first two years. Construction finally began in 1920, nearly three years late, and in November 1921, it was completed and ready for the next irrigation season. But much to everyone's chagrin, material and labor costs had doubled since 1917. It was now costing Amalgamated far more than the 1917 estimate of \$300,000 to rebuild the system. By November 1920, Amalgamated required Twin Lakes Canal Company to issue bonds totaling \$279,100 to cover part of the unexpected loss. Once again the system was plunged into debt.<sup>17</sup>

Assessments to coffer the bond issue and extremely high maintenance costs were a severe burden to the farmers, and by 1922 they were once again becoming delinquent in their annual assessments. That year nearly twenty-five percent of all shares were delinquent and were bought by Amalgamated. Once again Amalgamated waived interest payments on mortgages for two more years. The farmers simply could not pay. Furthermore, the canal system was again in dis-repair because of several serious washouts in the main canal, and in the fall of 1922, the directors were forced to borrow an additional \$100,000 from Amalgamated for the necessary repairs before they could irrigate the following season. It was several years before the Company was financially able to meet its maintenance and operation costs from its annual assessments.<sup>18</sup>

How is it possible that the optimism and plans made in 1902 could have been so far wrong?

A system originally proposed for \$282,000 and five years to build, finally took over \$1,540,000 in clear expenditures and twenty years to complete. Bitterness and frustration was the farmer's reward, in addition to mortgages nearly impossible to pay off. Bondholders lost severely, and Amalgamated Sugar Company was stretched to the limits of its finances. Amalgamated estimated they suffered a loss of \$337,000 above the amount held in mortgages, plus over \$170,000 in waived interest on farmers mortgages, and on the Twin Lakes bond issue, which they had purchased, and the \$100,000 loan which they also waived interest.<sup>19</sup>

Some of the reasons for the mistaken estimates are found in the nature and complexity of more than seventy miles of canals and siphons-- extremely high maintenance costs, replacement costs for deteriorating wooden siphons and flumes, an expensive pumping plant to utilize all the water from the reservoir--all these added up to unexpected costs. Litigation, mismanagement, inflation, private avarice--this too accounts for part of the loss. But who lost the most? The farmer, certainly! Year after countless year he paid prohibitively high assessments on his dry land. Most of them kept paying because the necessity of water for his soil, and belief in a functioning system drove him on. These farmers finally paid off their mortgages to Amalgamated, just in time to meet the depression of the 1930's.

The Twin Lakes Company is a technically superior and financially sound system now. They have built two additional reservoirs which increased their storage capacity approximately twenty-five percent, the canal and siphon system have been improved to avoid the costly maintenance although they still have an occasional washout, and two large pumps have been placed in Bear River to provide additional water and make the

water supply adequate. For several years Twin Lakes has been one of southern Idaho's most popular fishing locations, but very few of the people who enjoy the benefits of the lakes are aware of the unusual difficulties they suffered in aborning.

## FOOTNOTES

All the listed documents, unless otherwise noted, are located in the office of Twin Lakes Canal Company, Preston, Idaho. All county records are located in Franklin County Courthouse, Preston, Idaho. Franklin County was created out of Oneida County in 1912, consequently, all records prior to that date are filed in Oneida County in Malad, but copied for Franklin County.

1. The Oneida Canal Company was incorporated March 22, 1901, by Adelbert Henderson of Clifton, Stephen J. Calland and Philo w. Austin of Dayton, Peter Mickelson and Hyrum Jensen of Weston, and Arthur W. Hart and Charles R. Hobbs of Preston. See Records of Franklin County Incorporations, Franklin County Courthouse. Water filings recorded in Water Locations, Book 1, page 55, Franklin County Courthouse. At the time of the water filling, most of the water from Mink Creek had already been appropriated. The Oneida Canal Co. filing was recorded April 5, 1901, and was primarily for flood waters which could be obtained between October 15th and April 15th, then stored for the irrigation season. Just three weeks before the Oneida Canal Co. filing, Charles R. Hobbs filed for twenty second feet for use in irrigating approximately 80,000 acres on the west side of the valley. See Water Locations, Book 1, page 54.

The reason for this rather curious filing is not clear but inasmuch as he is one of the primary petitioners in the Oneida Co. incorporation it is apparently in association with it.

2. See Parker's Report on Preliminary Survey Work, dated 1902; and letter, Parker to Arthur W. Hart, Secretary of Oneida Irrigation District, dated May 30, 1906. Parker expected the system to deliver 240 second feet to the Clifton reservoir site, which allows for twenty percent loss in transit. By comparing the system to irrigation projects in the southern end of the valley near Logan, Utah, he estimated the system would be superior to any other, cost less, and bring higher returns to the land. He estimated the annual costs for operation and maintenance at approximately \$10,000 annually, or twenty-eight cents per acre.

For D.N. Ross' report see "Report on the Feasibility of the Oneida Irrigation District", addressed to Oneida County Board of Commissioners, dated February 27, 1902. Ross approves Parker's plans and cost estimates, but curiously states that if the project were anywhere else, he would advise cutting the proposed acreage to be irrigated to half Parker's proposals. He also stated "A very perfect system will have to be adopted for the administration of the works and the distribution of the water supply in order that the success of the undertaking may be assured."

3. The Oneida Irrigation District was officially organized May 5, 1902. All the water rights and expenses concurred by the Oneida Canal Co. were transferred to OID for \$8,000. The old company had managed to sell nearly \$13,000 in stock to the farmers, but apparently that money was never completely collected. For the first year there were five OID directors, similar to the Oneida Canal Co. However, by late 1903 the number was limited to three in compliance with the state irrigation law passed in 1899 and amended 1903--Adelbert Henderson, President and General Manager; Stephen J. Callan, Director; Arthur W. Hart, Director, Secretary, and Attorney; and George C. Parkinson, Treasurer. The president was always an elected director, then elected president by the board of directors.  
According to law all the land was classified 'A', 'B', 'C' land according to its adaptability to irrigation. OID made the following original classifications: 'A' land, 27,482 acres and assessed \$9.85 per acre; 'B' land, 3,738 acres and assessed \$2.75 per acre; 'C' land, 640 acres and assessed \$1.00 per acre.
4. There are references to some work being done in 1903 and perhaps even earlier, but it is not clear whether the earlier work was part of the original survey or work done by some individuals. During the construction, the entire canal was divided into small sections, or 'stations', and the contract for each station was let separately, mostly to farmer contractors. The construction from Mink Creek followed an old canal dug by Peter Peterson. In return for his canal site, OID allowed him private usage of their canal.
5. Orson P. Rumel, special auditor for the period 1902-1907 suggested that prospective bond buyers refused to buy the bonds, thereby hoping to force the bond price down to where they could be purchased at severe discount prices.  
Apparently Henderson lost several thousand dollars in the transaction as a result of his buying the outstanding warrants from the contractors, then using them as collateral for the loan he negotiated with J.N. Ireland Co. For years the bank insisted they should be paid face value for both bonds and warrants. The controversy was not settled until 1915 when the bank offered to surrender all the warrants and some of the bonds to OID if the District would give them clear title to \$19,000 in bonds. This was done, but two years later, when the District went into receivership, the bank was able to collect just twenty-five cents on the dollar in return for the bonds. See OID Minute Book No. Two, p. 196; letter dated June 1, 1908, Arthur W. Hart to Henry H. Rolapp, Chairman of Special Investigating Committee; and letter dated September 25, 1917, Attorney J.D. Skeen to OID, concerning his role in settling the controversy on behalf of OID.
6. Series Two bonds were offered on the open market in August 1904, then given to Cannon commission only after OID had been unable to sell them at par value. Series Three bonds were sold in April 1906 to finance construction on what is now known as Twin Lakes, the original site near

Clifton. See Minute Book No. One, p. 74, 82-86. The District inquired of Parker, the original engineer, for an explanation as to why the construction costs were nearly double his estimates. He stated no test pits had been dug on the site because of decision by the directors, that some ground which appeared to be earth proved to be heavily rock-filled, that prices for labor and material had practically doubled in four years, that the contractors were setting the canal much further into the hillside than his survey recommended, and that he did not include in cost estimates funds for purchasing a canal right-of-way. It had been his understanding that the right-of-way was to be donated. See letter dated May 30, 1906, A.F. Parker to Arthur W. Hart.

7. Reference to the firing of chief construction engineer H.J. Craven is found briefly in Minute Book No. One, p. 80, and more completely in Arthur W. Hart testimony before auditor Orson P. Rumel and attorney Joseph Davis, p. 135.

OID borrowed \$19,400 from Idaho State Bank, Preston and \$14,000 from Deseret National Bank, Salt Lake City. Most of this money was used to pay delinquent interest on bonds. See Minute Book No. One, pp. 107,135,138. Parkinson's commission claim was for bonds sold to Amalgamated Sugar Company, Ogden, Utah. The OID directors were inclined to disallow the commission because it was thought to be illegal, but inasmuch as Parkinson had apparently paid others part of the commission he was allowed \$3,000. Their approval was later rescinded. See Minute Book No. One, pp. 116, 123-127.

8. The ranch in question was the 2800 acre W.F. Armstrong ranch in Winder, Idaho. It was purchased in 1905 by a syndicate including Arthur W. Hart, George C. Parkinson, O.O. Crockett, Clarence Chadwick, and Junius Jensen. They purchased the ranch, sold off nearly two hundred head of purebred livestock, and resold the land in smaller packages. They reserved three future reservoir sites, which A.W. Hart named the "Strong Arm Reservoirs", and by using these to enhance the land values were able to sell the entire parcel within two months for \$10,000 profit. It is extremely difficult to establish guilt or innocence in the matter of co-mingled funds, although a jury trial and a second trial before a judge exonerated A.W. Hart in the matter. It is apparent that if he benefited from OID funds it was not from embezzlement or misuse, but in terms of his enhanced borrowing capacity from holding OID funds in his account. See A.W. Hart testimony before Orson P. Rumel and Joseph Davis, beginning p. 120, and financial statement of A.W. Hart to special investigating committee.
9. For "Report", by Engineer Richard R. Lyman, see Minute Book No. One, p. 221. The A.W. Hart lawsuit was decided by jury trial February 1908. A second suit was instituted and tried before Judge Alfred Budge of Fifth District Court, Pocatello, Idaho in April 1913. Judge Budge also exonerated him. Reference to the original suit is found in Judge Budge's decision in the latter case.

Bishop's Court Trial was brought against Adelbert Henderson, his brother Marion Henderson, and Arthur W. Hart. The case was heard November 1911, before

Bishop J.W. Condie. See The Preston Booster, March 28, 1912, p. 1.

Copy on file in offices of The Preston Citizen, Preston, Idaho.

Reference to the Cannon suit found in The Preston Booster, May 16, 1912, p. 1.

Reference to Engineer D.A. Swan, who quit the District, see Minute Book No. One, p. 218. Suit by the farmers to avoid payment of assessments was heard before the Idaho State Supreme Court, May 1914, James Page et al vs Oneida Irrigation District.

10. References to the disputes among the directors found in Minute Book No. One, pp. 238, 244, 251. Willard Boden resigned because of disagreements with the other directors. Lorenzo Jensen resigned for reasons of health. Josh Adams was voted down as president and replaced by Peter D. Maughan, although Adams remained opposed to Maughan's election. Ullrich's "Report", dated April 5, 1910, was addressed to W.G. DeCelle, Chicago, Illinois. He was critical of both management and the original engineering cost estimates of the system. Series Four bonds were approved November 1909. Most of this series was purchased by Zion's Savings and Trust Bank which led to the appointment of George Spencer as General Manager. See Minute Book No. One, pp. 268-274, 279, and Minute Book No. Two, pp. 14-16, 21.
11. It is difficult to determine when the first water was actually delivered to the farmers. The minutes refer to this in a cursory manner. For example, an entry dated June 7, 1910, says water is to be delivered to every man according to his acreage, but nothing more is said. In 1917, Consulting Engineer, T.H. Humphrey, stated water was turned into the head of the main canal in 1906, put through to Dayton and Weston in 1908, and then some land irrigated in 1910. His "Report", thirty-seven pages plus blueprints, is bound under separate folder in Twin Lakes Office, dated January 1917. There are several references in the minutes to selling land for the amount of delinquent taxes, reclassifying land, or exempting land altogether, particularly land south of Weston which did not receive water. In 1913 the District held certificates on land sold for taxes totaling \$92,600. See Minute Book No. Two, pp. 8, 50, 76, 80, 87, 100, 130, 144-175.
12. See J.W. Edmunds "Special Audit, January 1, 1908 to December 31, 1914", bound under separate folder in Twin Lakes Office. Carver was also accused of withholding state funds which were paid assessments on state land inside the District. The State entered a contract with OID in 1906 to irrigate 1680 acres of State Land. By 1915 the State had paid over \$30,000 in water assessments, but apparently that year refused to pay any more to the District. See undated file copy of letter, Governor Alexander to OID. See also "Report of State Land Commissioner", dated November 2, 1917; and "Resolution, Idaho Attorney General to OID", dated June 28, 1918. Director S.J. Callan resigned because of a cash

discrepancy resulting from a short time when he was Treasurer in 1908, not because of any misconduct as a director. See Minute Book No. Two, p. 212. Treasurer S.M. Lee was under suspicion because he had written most of the checks because he acted as Secretary-Treasurer from 1916 to 1919.

13. For reference to general meetings held with eastern bondholders see Minute Book No. Two, pp. 222-224, 245. The board of directors hired Attorney J.D. Skeen to act as their attorney through these years. He made several trips east in order to hold off threatened litigation for nonpayment of bonds and interest, although they eventually filed suit in the U.S. Federal District Court, Boise, Idaho, Corkill et al vs. Oneida Irrigation District. Skeen eventually became involved in a lengthy dispute with the directors over salary and expenses covering several years work. See his statement, dated September 25, 1917.
14. For Amalgamated proposals and plans see Minute Book No. Two, for May 1916, p. 231; October 1916, p. 245; July 6, 1917; April 1918, p. 279. In order to complete the arrangements with Amalgamated, and to limit the amount of land under the new company, the OID directors appointed a committee of six farmers, chair manned by I.H. Nash. The chief representative from Amalgamated Sugar Company was W.D. Beers, former State Engineer for Utah, then Chief Irrigation Engineer for Amalgamated, and also a major landholder in the District. See Minute Book No. Two, p. 255, 273. The cost for all excluded lands was set at 'A' land, \$4.49 per acre; 'B' land, \$1.86 per acre, and 'C' land \$.86 per acre. The promise of a sugar factory was made by L.R. Eccles, Manager of Amalgamated, at the July 1917 general meeting.
15. The official change from the Oneida Irrigation District to Twin Lakes Canal Company took place March 2, 1920. The new company issued 13,000 shares of preferred stock at one share per acre, and 7,000 shares of common stock with secondary water rights. See Minute Book No. Three, p. 1-4. There is a reference in the Franklin County Citizen, dated August 1919, which says, "the Oneida system has two great reservoirs, they seem almost to be twin lakes." This is the earliest known reference to the term by which the company is now known. Copy on file in offices of The Preston Citizen. A reference in the same article refers to an extremely fast rise in land values after Amalgamated took over the bonded indebtedness. By 1922 a consensus of realtors showed the land with a water right was worth at least \$200.00 per acre. It must be remembered that prior to 1917, OID frequently sold the land for value of delinquent taxes, often less than \$5.00 per acre. See also "Report on Twin Lakes Canal Company Irrigation Project", by W.D. Beers, General Manager, dated February 14, 1922, p. 30. Copy bound under separate folder.
16. There are several documents and newspaper articles concerning the projected sugar factory and continued postponement of construction of the canal system. The best statement is found in letter dated September 20, 1923, Henry H. Rolapp, President of Amalgamated Sugar Company,

to M.S. Eccles, Chairman of Real Estate Department of Amalgamated. He states that considerable difficulty was experienced in getting the farmers to sign mortgages with Amalgamated. They originally planned to commence construction once sixty-five percent of the farmers signed, but company lawyers advised them to wait until all had signed. He also infers that when costs soared in 1918 and 1919 that Amalgamated was also experiencing financial difficulties of its own, which helped force the delay in construction. This may also be reason why the projected sugar factory was never built, even though many farmers apparently never believed it would be built. Amalgamated also expected to buy all outstanding OID bonds for twenty-five cents on the dollar, but according to Rolapp, they had to pay fifty cents and seventy-five cents to many of the eastern bondholders. This would help account for the heavier than expected expenditures on the District. See also letter dated October 14, 1919, OID to Amalgamated Sugar Company. The Franklin County Citizen has several major articles dealing with the proposed sugar factory. See dates January 11, 1917, p. 1; February 15, 1917, p. 1; March 8, 1917, p. 1; July 5, 1917, p. 1; November 15, 1917, p. 1; February 21, 1918, p. 1; April 4, 1918, p. 1; July 24, 1919, p. 1. When the decision was made not to build the factory, farmers near Preston immediately began looking for another sugar company who would build in the area, and as a result Pingree-Idaho Sugar Company, recently moved from California, agreed to build in Whitney, Idaho.

17. Much of the reconstruction completed by Amalgamated was on the major reservoir site. The two dams had been built to thirteen feet by 1910, and stored 3500 acre feet of water; however, most of it was not usable in one of the main laterals unless it was pumped through the siphon. Amalgamated raised the dams another twenty-two feet in order to increase storage capacity to 14,000 acre feet, deepened a cut between the two reservoirs, installed pumps to utilize the lower 4,000 acre feet, and moved the outlet of the south dam to a new location. See Beers "Report", and letter dated August 20, 1918, Engineers A.J. Wiley and J.L. Lytel to W.D. Beers.
18. Concerning the individual mortgages to Amalgamated, a few farmers borrowed from the Federal Land Bank and paid off Amalgamated completely. These farmers received no benefits when Amalgamated waived interest on the farmer's mortgages. When Amalgamated bought delinquent water shares in the 1920's, they allowed the farmers use of the water, but on condition they grow sugar beets. This was controlled by deducting delinquent assessments from the farmer's annual beet checks, and by refusing to accept cash payment for water shares held by Amalgamated. See Minute Book No. Three, November 20, 1922; February 5, 1923; June 29, 1923. The \$279,100 bond was purchased by Amalgamated to defray part of the unexpected loss due higher costs.

Amalgamated paid the remainder which amounted to \$243,000. This amount is in addition to \$834,623 which Amalgamated collected in farmers mortgages. See Minute Book No. Three, p. 11. The additional \$100,000 loan Twin Lakes Co. obtained from Amalgamated in 1922 was primarily to build a tunnel 1300 feet long in order to avoid repeated washouts in the main canal. See Minute Book No. Three, pp. 57, 62.

19. The \$1,540,000 is adduced by adding \$834,623 in individual mortgages to Amalgamated, \$279,100 in Twin Lakes bonds negotiated in 1920, \$326,544 in Amalgamated expenses by February 1922, above the total of mortgage money, and \$100,000 loan from Amalgamated to Twin Lakes Co. in October 1922. See Beers "Report", p. 64; Minute Book No. Three, See "Open Letter", dated July 16, 1923, Amalgamated Sugar Company to Twin Lakes landholders for reference to losses suffered due to waived interest.

## **OFFICERS AND DIRECTORS**

### **PRESIDENT**

1901-1908 - Adelbert Henderson  
1908-1909 - Joshua Adams  
1909- - Peter Maughan  
1910-1912 - Joshua Adams  
1912-1913 - James Taylor  
1913-1914 - S. J. Callan  
1914-1922 - James Johnson  
1922-1943 - Thomas Preston  
1943- 1947- I..H. Nash  
1948-1952 - Lawrence.E. McDermott  
1952-1953 - Lyman Balls  
1953-1958 - Ray Bright  
1958-1960 - Clyde Call  
1960-1961 - Shirley Palmer  
1961-1964 - J. Uless Nash  
1964-1967 - V.D. Smart  
1967-1970 - Perth Poulsen  
1970-1973 - Carol Stocks  
1973-1974 - Perth Poulsen  
1974-1975 - Dennis Ralphs  
1975-1986 - Jack Moser  
1986-1994 - LaVern Talbot  
1994-1999 - Bruce Naylor  
1999-2005 - Jeffrey Johnson  
2005-pres. - Clair Bosen

## **DIRECTORS**

1901- Adelbert Henderson  
1901-1906 Philo W. Austin  
1901-1914 Stephen Callan  
1901-1906 Peter Mickleson  
1901-1902 Chos R. Hobbs  
1902-1907 Isaac Bright  
Joshua Adams  
1908- Peter Maughan  
1910-1913 James Taylor  
Wm Larsen  
1913-1922 James Johnson  
1914- L.H. Henderson  
Lorenzo Jensen  
Doren Perrine  
Isaac H. Nash  
David W. Buttars  
Thomas Preston  
1922-1928 Issach Bright  
1921- H.R. Bingham  
1928-1932 T.C. Palmer  
1932- G.A. Brower  
1945- Byron S. Tanner  
1943-1953 Lawrence E. McDermott  
1948-1949 Moss Lewis  
1948-1953 Lyman Balls  
1950-1958 Ray Bright  
1952-1960 Clyde Call  
1953-1965 J. Uless Nash  
1958-1961 Shirley Palmer  
1960-1972 V.D. Smart  
1961-1964 Moss Lewis  
1964-1973 Carol Stocks  
1965-1974 Perth Poulsen  
2/72-4/72 E.O. Bergeson  
1972-1976 Dennis Ralphs  
1973-1979 Ivan Talbot  
1974-1986 Jack Moser  
1976-1987 Keith Buttars  
1979-2000 LaVern Talbot  
1986-1989 Jess Elgan  
1987-1989 Lynn Atkinson  
1989-1999 Bruce Naylor  
1989-1998 Kent Howell

1998-2003 Bob Gunnell  
1999-2005 Jeffrey Johnson  
2000-pres. Clair Bosen  
2003-pres. Wesley Beutler  
2005-pres. Jim Naylor

### **GENERAL MANAGERS**

1901-1908 Adelbert Henderson  
1909-1909 Lorenzo Jensen  
1909-1912 George Spencer  
1912- Ephraim Bergeson  
1914- 1919 James Taylor  
1919-1921 James Johnson  
1921- Willard Boden  
1922-1924 W.D. Beers  
(Beers acted as consulting engineer for several years)  
1924-1954 Jack Sanford  
1954-1965 Les Sears  
1965-1977 Gordon Gailey  
1977-1991 Dean Smith  
1991-1995 Jack Moser  
1995-2007 Earl Ward  
2008-pres. Lauritz Smith

### **PARTIAL LIST OF WATERMASTERS**

1909- George McDermott  
1914- E.G. Tanner  
1915- Ira Schow  
1921-1954 Gus Simons  
1966- Rex Poulsen  
1970-1975 MelRoy Larsen  
1976-1977 Dean Smith  
1977-1980 Warren Choules  
1977-1980 George Johnston  
1980-1990 Richard Reeder  
1980-1986 John Stover  
1986-1995 Earl Ward  
1988-1990 Bruce Winward  
1990-2000 Ron Kendall  
1991-1992 Dean Smith  
1993-2007 Bob Erickson  
1995-pres. Ivan Jensen  
2008-pres. Dennis Clark

**SECRETARY**

1901-1907 Arthur W. Hart  
1908-1908 Orson P. Rumel  
1908-1915 George H. Carver  
1915-1916 J.W. Edmunds  
1916-1926 E.R. Nielsen  
1926-1952 Jack Sanford  
1952-1965 Cleo L. Swenson  
1965-1972 Les Sears  
1972-pres. Michael Kunz

**Treasurer** 1906-1909 Geo. C. Parkinson  
" -1908 S.J. Callan  
" 1908- Douglas A. Swan  
" 1908- James Callan  
" 1909- S.M Lee